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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE
CALIFORNIA CORPORATIONS
COMMISSIONER,

Complainant,

v.

EQUIHOME MORTGAGE, CORP.,

Respondent.

File No.: 413-0588

ACCUSATION

The Complainant is informed and believes, and based upon such information and belief,
alleges and charges Respondent as follows:

I.

Respondent Equihome Mortgage Corp. ("Equihome") is a residential mortgage lender
licensed by the California Corporations Commissioner ("Commissioner") pursuant to the California
Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.) ("CRMLA").
Equihome has its principal place of business located at 150 Morristown Road, Suite 101,
Bernardsville, New Jersey 07924.

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II.

Pursuant to California Financial Code sections 50307 and 50401, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report") on or before March 1st of each year for the preceding 12-month period ended December 31st.

On or about January 19, 2007, an Activity Report form was sent to all CRMLA licensees with a notice that the Activity Report was due on or before March 1, 2007. Equihome has yet to submit the Activity Report to the Commissioner despite the fact that the Commissioner has sent it numerous reminders.

On or about May 7, 2007, a letter was sent to Equihome demanding that the Activity Report be filed no later than May 17, 2007, and assessing Equihome a penalty of \$1,000.00, pursuant to California Financial Code section 50326. Equihome was notified in the letter that failure to file the Activity Report and/or pay the penalty by May 17, 2007 would result in an action to either suspend or revoke its license.

On or about June 27, 2007, a further letter was sent to Equihome demanding that it submit its Activity Report and pay the penalty assessed on May 7, 2007 no later than July 7, 2007 and again notifying Equihome that failure to file the Activity Report and/or pay the penalty by July 7, 2007 would result in an action to either suspend or revoke its license pursuant to California Financial Code section 50327.

Equihome has yet to submit the Activity Report or pay the penalty as required by California Financial Code sections 50307, 50326, and 50401.

III.

Pursuant to California Financial Code section 50200, subdivision (a), Equihome was required to submit its audited financial statement for its fiscal year ended December 31, 2006 ("Audit Report") to the Commissioner on or before April 15, 2007, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200, Equihome was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the Commissioner on or before April 15, 2007. Equihome has yet to file its Audit

1 Report, trust account reconciliation, or Report on Internal Controls with the Commissioner despite
2 having been sent numerous reminder letters.

3 On or about December 11, 2006, the Complainant notified Equihome in writing that its Audit
4 Report, trust account reconciliation, and Report on Internal Controls were due on or before April 15,
5 2007. Equihome failed to submit the Audit Report, trust account reconciliation, Report on Internal
6 Controls by April 15, 2007.

7 On or about June 12, 2007, a further letter was sent to Equihome demanding that it file the
8 Audit Report, trust account reconciliation, and Report on Internal Controls no later than June 22,
9 2007. Equihome failed to submit the Audit Report, trust account reconciliation, and Report on
10 Internal Controls or respond to the letter.

11 On or about August 2, 2007, a final letter was sent to Equihome demanding that the Audit
12 Report, trust account reconciliation, and Report on Internal Controls be filed no later than August 12,
13 2007, and assessing Equihome a penalty of \$1,000.00 pursuant to California Financial Code section
14 50326. Equihome was notified in the letter that its failure to file the Audit Report, trust account
15 reconciliation, Report on Internal Controls and/or pay the penalty by August 12, 2007 would result in
16 an action to either suspend or revoke its license.

17 Equihome has yet to file its Audit Report, trust account reconciliation, Report on Internal
18 Controls, and pay the penalty as required by California Financial Code sections 50200, subdivision
19 (a), 50326, and title 10, section 1950.200 of the California Code of Regulations.

20 IV.

21 California Financial Code section 50327 provides in pertinent part:

22 (a) The commissioner may, after notice and a reasonable opportunity to be
23 heard, suspend or revoke any license if the commissioner finds that: (1) the
24 licensee has violated any provision of this division or any rule or order of the
25 commissioner thereunder; or (2) any fact or condition exists that, if it had
26 existed at the time of the original application for license, reasonably would
27 have warranted the commissioner in refusing to issue the license originally.

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